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China Aluminum Cans Holdings Limited

中國鋁罐控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6898)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

ANNUAL RESULTS

The board (the “Board”) of directors (the “Directors”) of China Aluminum Cans Holdings Limited (the “Company”) is pleased to announce the consolidated financial results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2022 (the “Reporting Period”), together with the comparative figures for the year ended 31 December 2021.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

For the year ended 31 December 2022

	Notes	2022 HK\$'000	2021 HK\$'000
REVENUE	5	210,514	208,900
Cost of sales		<u>(156,051)</u>	<u>(152,285)</u>
Gross profit		<u>54,463</u>	<u>56,615</u>
Other income and gains	5	12,234	10,501
Selling and distribution expenses		(6,986)	(8,230)
Administrative expenses		(21,927)	(21,432)
Research and development expenses	6	(11,023)	(11,445)
Impairment losses on financial assets, net	6	(192)	(1,051)
Other expenses		(3,438)	(3,961)
Finance costs	7	<u>(28)</u>	<u>(99)</u>
PROFIT BEFORE TAX	6	23,103	20,898
Income tax expenses	8	<u>(2,236)</u>	<u>(2,479)</u>
PROFIT FOR THE YEAR		<u><u>20,867</u></u>	<u><u>18,419</u></u>
OTHER COMPREHENSIVE (LOSS)/INCOME			
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		<u>(28,900)</u>	<u>10,918</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		<u><u>(8,033)</u></u>	<u><u>29,337</u></u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (continued)**

For the year ended 31 December 2022

	Notes	2022 HK\$'000	2021 HK\$'000
Profit attributable to:			
Owners of the parent		20,513	18,096
Non-controlling interests		354	323
		<u>20,867</u>	<u>18,419</u>
Total comprehensive income attributable to:			
Owners of the parent		(7,985)	28,862
Non-controlling interests		(48)	475
		<u>(8,033)</u>	<u>29,337</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic	10	<u>HK2.3 cents</u>	<u>HK2.0 cents</u>
Diluted		<u>HK1.5 cents</u>	<u>HK1.3 cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	31 December 2022 HK\$'000	31 December 2021 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	14	208,561	237,472
Right-of-use assets		11,629	13,205
Deferred tax assets		2,059	2,030
Non-current prepayments		306	754
Total non-current assets		222,555	253,461
CURRENT ASSETS			
Inventories	11	25,577	32,610
Trade and bills receivables	12	31,952	21,644
Prepayments, deposits and other receivables		509	1,812
Cash and cash equivalents		112,790	95,377
Total current assets		170,828	151,443
CURRENT LIABILITIES			
Trade and bills payables	13	6,023	3,579
Other payables and accruals		15,963	17,159
Interest-bearing bank and other borrowings	15	250	265
Tax payable		1,015	40
Deferred income		262	283
Total current liabilities		23,513	21,326
NET CURRENT ASSETS		147,315	130,117
TOTAL ASSETS LESS CURRENT LIABILITIES		369,870	383,578

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

As at 31 December 2022

	Notes	31 December 2022 HK\$'000	31 December 2021 HK\$'000
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	15	263	282
Deferred tax liabilities		2,780	2,356
Deferred income		4,502	5,171
		<hr/>	<hr/>
Total non-current liabilities		7,545	7,809
		<hr/>	<hr/>
Net assets		362,325	375,769
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to owners of the parent			
Share capital		9,018	9,018
Equity component of convertible notes		271,826	271,826
Reserves		76,407	89,803
		<hr/>	<hr/>
		357,251	370,647
Non-controlling interests		5,074	5,122
		<hr/>	<hr/>
Total equity		362,325	375,769
		<hr/> <hr/>	<hr/> <hr/>

NOTES:

1. CORPORATE AND GROUP INFORMATION

China Aluminum Cans Holding Limited is a limited liability company incorporated in the Cayman Islands. The registered office address of the Company is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands.

During the year, the Group was involved in the manufacture and sale of aluminum aerosol cans.

In the opinion of the directors (the “Directors”), as at 31 December 2022, the immediate holding company and ultimate holding company of the Company is Wellmass International Limited (“Wellmass”), a company incorporated in the British Virgin Islands (the “BVI”).

Information about subsidiaries

Particulars of the Company’s subsidiaries are as follows:

Company name	Place of incorporation/ registration and business	Issued capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
Euro Asia Investments Global Limited	BVI	US\$1	100	—	Investment holding
Hong Kong Aluminum Cans Limited	Hong Kong	HK\$1,001	—	100	Trading of aluminum aerosol cans
Euro Asia Packaging (Hong Kong) Co. Limited	Hong Kong	HK\$1,000,000	—	100	Trading of aluminum aerosol cans
Euro Asia Packaging (Guangdong) Co., Ltd. (“Euro Asia Packaging”) (廣東歐亞包裝有限公司)*	Mainland China	RMB125,000,000	—	98.6	Manufacture and sale of aluminum aerosol cans
European Asia Group Company Limited	Hong Kong	HK\$1,500,000	—	98.6	Trading of aluminum aerosol cans

* Euro Asia Packaging is registered as a non-wholly-foreign-owned enterprise under PRC law.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) (which include all International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations) issued by the International Accounting Standards Board (the “IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2022. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognizes (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognized in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts - Cost of Fulfilling a Contract
Annual Improvements to IFRS Standards 2018-2020	Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41

The nature and the impact of and the revised IFRS is described below:

- (a) Amendments to IFRS 3 replace a reference to the previous Framework for the Preparation and Presentation of Financial Statements with a reference to the Conceptual Framework for Financial Reporting issued in June 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the period, the amendments did not have any impact on the financial position and performance of the Group.
- (b) Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling any such items, and the cost of those items, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Since there was no sale of items produced while making property, plant and equipment available for use, the amendments did not have any impact on the financial position or performance of the Group.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

- (c) Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.
- (d) Annual Improvements to *IFRSs 2018-2020* sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendments that are applicable to the Group are as follows:

IFRS 9 Financial Instruments: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively from 1 January 2022. As there was no modification or exchange of the Group's financial liabilities during the year, the amendment did not have any impact on the financial position or performance of the Group.

4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in manufacture and sale of aluminum aerosol cans.

Under IFRS 8 *Operating Segments*, it is required that operating segments be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to segments and to assess their performance. The information reported to the directors of the Company, who are the chief operating decision-makers, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

Geographical information

(a) Revenue from external customers:

	2022 HK\$'000	2021 HK\$'000
Africa	2,468	1,234
America	17,130	11,455
Asia	7,519	10,676
Mainland China	183,397	185,535
	<u>210,514</u>	<u>208,900</u>

The revenue information above is based on the shipment destinations.

(b) Non-current assets

	2022 HK\$'000	2021 HK\$'000
Hong Kong	341	342
Mainland China	220,155	251,089
	<u>220,496</u>	<u>251,431</u>

The non-current asset information above is based on the locations of the assets and excludes deferred tax assets.

Information about major customers

During the year ended 31 December 2022, revenue of approximately HK\$22,671,000 derived from a related party and revenue of approximately HK\$29,254,000 derived from a third party accounted for more than 10% of the total revenue separately.

5. REVENUE, OTHER INCOME AND GAINS

Revenue

An analysis of revenue is as follows:

	2022 HK\$'000	2021 HK\$'000
Revenue from contracts with customers	<u>210,514</u>	<u>208,900</u>
Revenue from contracts with customers		
(a) Disaggregated revenue information		
Segments	2022 HK\$'000	2021 HK\$'000
Type of goods		
Sale of industrial products	<u>210,514</u>	<u>208,900</u>
Geographical markets		
Africa	2,468	1,234
America	17,130	11,455
Asia	7,519	10,676
Mainland China	<u>183,397</u>	<u>185,535</u>
Total revenue from contracts with customers	<u>210,514</u>	<u>208,900</u>
Timing of revenue recognition		
Goods transferred at a point in time	<u>210,514</u>	<u>208,900</u>

The following table shows the amount of revenue recognized in the current reporting period that was included in the contract liabilities at the beginning of the reporting period and recognized from performance obligations satisfied in previous periods:

	2022 HK\$'000	2021 HK\$'000
Revenue recognised that was included in the contract liabilities at the beginning of the reporting period:		
Sale of industrial products	<u>9,170</u>	<u>11,458</u>

5. REVENUE, OTHER INCOME AND GAINS (continued)

Revenue (continued)

(b) Performance obligations

Information about the Group's performance obligations is summarized below:

Sale of industrial products

The performance obligation is satisfied upon delivery of the industrial products and payment is generally due within 30 to 180 days from delivery, except for some customers, where payment in advance is normally required.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2022 HK\$'000	2021 HK\$'000
Amounts expected to be recognized as revenue:		
Within one year	<u>5,801</u>	<u>9,170</u>

All the remaining performance obligations are expected to be recognized within one year.

Other income and gains

	2022 HK\$'000	2021 HK\$'000
Sale of scrap materials	5,494	6,097
Bank interest income	1,805	821
Government grants:		
— Related to assets*	279	289
— Related to income**	1,191	404
Foreign exchange differences	1,030	—
Income from research and development design	374	447
Forfeiture of customers' deposit	1,859	2,119
Others	<u>202</u>	<u>324</u>
	<u>12,234</u>	<u>10,501</u>

* The amount represents the subsidies for the aluminum aerosol cans production line technical renovation program received from the local government. Government grants received for which the related expenditure has not yet been undertaken are included in deferred income in the consolidated statement of financial position. There are no unfulfilled conditions or contingencies relating to these grants.

** Various government grants of HK\$1,191,000 (2021: HK\$404,000) represent cash receipts from and subsidies provided by the local government authorities to the Group as an encouragement for its technological innovation and an reward for a high technology enterprise. There are no unfulfilled conditions or contingencies relating to these grants.

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	2022	2021
	HK\$'000	HK\$'000
Cost of inventories sold	156,051	152,285
Depreciation of property, plant and equipment	19,648	19,885
Depreciation of right-of-use assets	691	746
Auditor's remuneration	1,197	1,523
Research and development costs	11,023	11,445
Lease payments not included in the measurement of lease liabilities	18	17
Employee benefit expense (excluding directors' remuneration):		
Wages and salaries	27,833	32,313
Pension scheme contributions	4,893	5,075
	32,726	37,388
Foreign exchange differences, net*	(1,030)	438
Loss on disposal of items of property, plant and equipment**	3	154
Impairment losses on financial assets	192	1,051
Write-down of inventories to net realizable value**	179	1,230
Impairment losses on property, plant and equipment	2,103	1,166

* Included in "Other income and gains" (2021: Other expenses) in the consolidated statement of profit or loss and other comprehensive income

** Included in "Other expenses" in the consolidated statement of profit or loss and other comprehensive income

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2022	2021
	HK\$'000	HK\$'000
Interest on bank loans wholly repayable within five years	18	74
Interest on lease liabilities	10	25
	<u>28</u>	<u>99</u>

8. INCOME TAX EXPENSES

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands, and accordingly, is exempt from the payment of the Cayman Islands income tax.

Pursuant to the rules and regulations of the BVI, the Group is not subject to any tax in the BVI.

Hong Kong profits tax was provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year 2022 (2021: 16.5%).

Pursuant to the PRC Income Tax Law and the respective regulations, subsidiaries of the Group operating in Mainland China are subject to Corporate Income Tax ("CIT") at a rate of 25% on the taxable income. Preferential tax treatment is available to the Group's operating subsidiary, Euro Asia Packaging, since it was recognised as a high technology enterprise and was entitled to a preferential tax rate of 15% for the years of 2022 and 2021.

	2022	2021
	HK\$'000	HK\$'000
Current – Mainland China	2,000	3,109
Deferred	236	(630)
Total tax charge for the year	<u>2,236</u>	<u>2,479</u>

8. INCOME TAX EXPENSES (continued)

A reconciliation of the income tax expenses applicable to profit before tax using the statutory rate for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable tax rates to the effective tax rates, are as follows:

	2022		2021	
	HK\$'000	%	HK\$'000	%
Profit before tax	<u>23,103</u>		<u>20,898</u>	
Tax at the statutory tax rate	5,776	25.0	5,225	25.0
Entities subject to a preferential tax rate	(2,385)	(10.3)	(2,164)	(10.4)
Effect of withholding tax on undistributed profits of the PRC subsidiary	349	1.5	318	1.5
Super deduction of R&D	(1,590)	(6.9)	(1,717)	(8.2)
Expenses not deductible for tax	211	0.9	128	0.6
Tax losses not recognized	657	2.8	504	2.4
Adjustments in respect of current tax of previous periods	<u>(782)</u>	<u>(3.4)</u>	<u>185</u>	<u>0.9</u>
Tax charge at the Group's effective tax rate	<u>2,236</u>	<u>9.7</u>	<u>2,479</u>	<u>11.9</u>

9. DIVIDENDS

	Notes	2022	2021
		HK\$'000	HK\$'000
Interim – HK0.29 cent (2021: HK0.14 cent) per ordinary share		2,615	1,262
Proposed final – HK0.38 cent (2021: HK0.31 cent) per ordinary share	(i)	<u>3,427</u>	<u>2,795</u>
		<u>6,042</u>	<u>4,057</u>

Note:

- (i) The proposed dividend on ordinary shares is subject to approval at the annual general meeting and was not recognized as a liability as at 31 December 2022.

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 901,785,000 (2021: 901,785,000) in issue during the year.

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the weighted average number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

	2022 HK\$'000	2021 HK\$'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	<u>20,513</u>	<u>18,096</u>

Number of shares

Shares		
Weighted average number of ordinary shares in issue used in the basic earnings per share calculation	901,785,000	901,785,000
Effect of dilution – weighted average number of ordinary shares:		
Convertible Notes	<u>494,228,072</u>	<u>494,228,072</u>
Adjusted weighted average number of ordinary shares in issue used in the diluted earnings per share calculation	<u>1,396,013,072</u>	<u>1,396,013,072</u>

11. INVENTORIES

	2022 HK\$'000	2021 HK\$'000
Raw materials	13,954	15,321
Work in progress	4,322	5,301
Finished goods	<u>7,301</u>	<u>11,988</u>
	<u>25,577</u>	<u>32,610</u>

12. TRADE AND BILLS RECEIVABLES

	2022 HK\$'000	2021 HK\$'000
Trade receivables	31,696	21,306
Impairment	(1,871)	(2,238)
Trade receivables, net	<u>29,825</u>	<u>19,068</u>
Bills receivable	<u>2,127</u>	<u>2,576</u>
	<u>31,952</u>	<u>21,644</u>

The Group requires most of its customers to make payments in advance, however, the Group generally grants credit terms from 30 to 180 days to those customers with good payment history. The credit period for specific customers is considered on a case-by-case basis and set out in the sales contracts, as appropriate.

The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

The Group does not hold any collateral or other credit enhancements over its trade and bills receivable balances. Trade receivables are non-interest-bearing, and the carrying amounts of the trade and bills receivables approximate to their fair values.

An ageing analysis of the trade receivables as at the end of each reporting period, based on the invoice date and net of loss allowance, is as follows:

	2022 HK\$'000	2021 HK\$'000
Within 30 days	7,086	9,067
31 to 60 days	4,046	6,041
61 to 90 days	11,609	2,774
Over 90 days	7,084	1,186
	<u>29,825</u>	<u>19,068</u>

12. TRADE AND BILLS RECEIVABLES (continued)

The movements in the loss allowance for impairment of trade receivables are as follows:

	2022 HK\$'000	2021 HK\$'000
At beginning of year	2,238	1,646
Impairment losses, net (note 6)	192	1,051
Amount written off as uncollectible	(396)	(528)
Exchange realignment	(163)	69
At end of year	<u>1,871</u>	<u>2,238</u>

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses (ECLs). The provision rates are based on the invoice date for groupings of various customer segments with similar loss patterns (i.e., by product type, customer type and rating, ageing of the balances and recent historical payment patterns). For certain trade receivables for which the counterparty failed to make demanded repayments, the Group has made a 100% provision ("Default receivables"). Except for default receivables, the Group used the calculation which reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	Ageing				Total
	1 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	
As at 31 December 2022					
Related party:					
Expected credit loss rate	—	—	—	—	—
Gross carrying amount (HK\$'000)	931	1,677	5,731	6,952	15,291
Expected credit losses (HK\$'000)	—	—	—	—	—
Third party:					
Default receivables*					
Expected credit loss rate	—	—	—	100%	100%
Gross carrying amount (HK\$'000)	—	—	—	1,085	1,085
Expected credit losses (HK\$'000)	—	—	—	1,085	1,085
Other receivables					
Expected credit loss rate	2.27%	2.14%	2.00%	78.11%	5.13%
Gross carrying amount (HK\$'000)	6,298	2,421	5,998	603	15,320
Expected credit losses (HK\$'000)	143	52	120	471	786
Total expected credit losses (HK\$'000)	<u>143</u>	<u>52</u>	<u>120</u>	<u>1,556</u>	<u>1,871</u>

* Due to the significant increase in credit risk of certain customers, the Group has made a 100% provision.

12. TRADE AND BILLS RECEIVABLES (continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix (continued):

	Ageing				Total
	1 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	
As at 31 December 2021					
Related party:					
Expected credit loss rate	—	—	—	—	—
Gross carrying amount (HK\$'000)	1,370	2,626	2,774	705	7,475
Expected credit losses (HK\$'000)	—	—	—	—	—
Third party:					
Default receivables*					
Expected credit loss rate	—	—	—	100%	100%
Gross carrying amount (HK\$'000)	—	—	—	1,309	1,309
Expected credit losses (HK\$'000)	—	—	—	1,309	1,309
Other receivables					
Expected credit loss rate	2.81%	2.65%	—	56.01%	7.42%
Gross carrying amount (HK\$'000)	7,921	3,507	—	1,094	12,522
Expected credit losses (HK\$'000)	223	93	—	613	929
Total expected credit losses (HK\$'000)	<u>223</u>	<u>93</u>	<u>—</u>	<u>1,922</u>	<u>2,238</u>

* Due to the significant increase in credit risk of certain customers, the Group has made a 100% provision.

13. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of each reporting period, based on the invoice date, is as follows:

	2022 HK\$'000	2021 HK\$'000
Within 30 days	2,320	2,315
31 to 60 days	3,182	317
61 to 90 days	97	549
Over 90 days	424	398
	<u>6,023</u>	<u>3,579</u>

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days. The carrying amounts of the trade payables approximate to their fair values.

14. PROPERTY, PLANT AND EQUIPMENT

	Buildings HK\$'000	Plant and machinery HK\$'000	Office and other equipment HK\$'000	Motor vehicles HK\$'000	Construction in progress HK\$'000	Total HK\$'000
31 December 2022						
At 1 January 2022:						
Cost	56,581	346,330	7,998	10,804	45,730	467,443
Accumulated depreciation	(33,097)	(186,631)	(4,954)	(5,289)	—	(229,971)
Net carrying amount	<u>23,484</u>	<u>159,699</u>	<u>3,044</u>	<u>5,515</u>	<u>45,730</u>	<u>237,472</u>
At 1 January 2022, net of accumulated depreciation						
At 1 January 2022, net of accumulated depreciation	23,484	159,699	3,044	5,515	45,730	237,472
Additions	937	1,172	607	—	9,737	12,453
Disposals	—	(6)	(14)	(57)	—	(77)
Depreciation provided during the year	(3,515)	(15,069)	(267)	(797)	—	(19,648)
Impairment	—	(2,103)	—	—	—	(2,103)
Transfers	24,202	485	—	—	(24,687)	—
Exchange realignment	(1,205)	(12,248)	(230)	(380)	(5,473)	(19,536)
At 31 December 2022, net of accumulated depreciation	<u>43,903</u>	<u>131,930</u>	<u>3,140</u>	<u>4,281</u>	<u>25,307</u>	<u>208,561</u>
At 31 December 2022:						
Cost	77,593	319,174	7,914	9,654	25,307	439,642
Accumulated depreciation	(33,690)	(187,244)	(4,774)	(5,373)	—	(231,081)
Net carrying amount	<u>43,903</u>	<u>131,930</u>	<u>3,140</u>	<u>4,281</u>	<u>25,307</u>	<u>208,561</u>
31 December 2021						
At 1 January 2021:						
Cost	54,853	330,690	7,802	10,123	28,439	431,907
Accumulated depreciation	(29,018)	(166,509)	(4,437)	(4,494)	—	(204,458)
Net carrying amount	<u>25,835</u>	<u>164,181</u>	<u>3,365</u>	<u>5,629</u>	<u>28,439</u>	<u>227,449</u>
At 1 January 2021, net of accumulated depreciation						
At 1 January 2021, net of accumulated depreciation	25,835	164,181	3,365	5,629	28,439	227,449
Additions	—	664	115	569	23,704	25,052
Disposals	—	(777)	(16)	(16)	—	(809)
Depreciation provided during the year	(3,108)	(15,437)	(519)	(821)	—	(19,885)
Impairment	—	(1,166)	—	—	—	(1,166)
Transfers	—	7,312	—	—	(7,312)	—
Exchange realignment	757	4,922	99	154	899	6,831
At 31 December 2021, net of accumulated depreciation	<u>23,484</u>	<u>159,699</u>	<u>3,044</u>	<u>5,515</u>	<u>45,730</u>	<u>237,472</u>
At 31 December 2021:						
Cost	56,581	346,330	7,998	10,804	45,730	467,443
Accumulated depreciation	(33,097)	(186,631)	(4,954)	(5,289)	—	(229,971)
Net carrying amount	<u>23,484</u>	<u>159,699</u>	<u>3,044</u>	<u>5,515</u>	<u>45,730</u>	<u>237,472</u>

14. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group's buildings are located in Mainland China.

Certain of the Group's interest-bearing bank borrowings were secured by the Group's buildings with a carrying value of HK\$ 2,343,000 as at 31 December 2022 (2021: HK\$3,085,000) (note 15).

Certain of the Group's interest-bearing bank borrowings were secured by the Group's plant and machinery with a carrying value of HK\$40,087,000 as at 31 December 2022 (2021: HK\$48,148,000) (note 15).

15. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2022			2021		
	Contractual interest rate	Maturity	HK\$'000	Contractual interest rate	Maturity	HK\$'000
Current						
Lease liabilities	5.125%	2023	66	2.563%~5.125%	2022	265
Bank loans – secured	LPR-0.45%	2023	184	—	—	—
			<u>250</u>			<u>265</u>
Non-current						
Lease liabilities	5.125%	2024	58	—	—	—
Long-term bank loans – secured	LPR+1.15%	2025	205	LPR+1.15%	2025	282
			<u>263</u>			<u>282</u>
			<u>513</u>			<u>547</u>

Note:

“LPR” stands for the Loan Prime Rate designated by the People's Bank of China (中國人民銀行).

15. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

	2022 HK\$'000	2021 HK\$'000
Bank loans repayable:		
Within one year or on demand	184	—
In the third to fifth years, inclusive	205	282
	<u>389</u>	<u>282</u>
Other borrowings repayable:		
Within one year or on demand	66	265
In the second year	58	—
	<u>124</u>	<u>265</u>

The above secured bank loans and unutilized bank facilities were secured by certain of the Group's assets and their carrying values are as follows:

	Notes	2022 HK\$'000	2021 HK\$'000
Property, plant and equipment	14	42,430	51,233
Leasehold land		2,621	2,946
		<u>45,051</u>	<u>54,179</u>

	2022 HK\$'000	2021 HK\$'000
Interest-bearing bank borrowings denominated in:		
– RMB	389	282
	<u>389</u>	<u>282</u>

The Group has the following undrawn banking facilities:

	2022 HK\$'000	2021 HK\$'000
Floating rate		
– to expire within one year	89,960	81,814
– to expire after one year	—	19,331
	<u>89,960</u>	<u>101,145</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

The Group is principally engaged in the manufacture and sale of monobloc aluminum aerosol cans, which are generally used in the packaging of fast-moving personal care products such as sanitizer products, body deodorant, hair styling products and shaving cream, as well as pharmaceutical products such as pain relieving spray, spray dressing and antiseptic spray. The Group has a wide range of extrusion dies available to produce more than 50 models of aluminum aerosol cans of base diameters from 22 mm to 66 mm and heights from 58 mm to 247 mm with various features and shapes for our customers' selection.

OPERATING ENVIRONMENT AND PROSPECTS

As the global economy is continuously shrouded in the shadow of various difficulties, like, trade protectionism, outbreak of pneumonia caused by novel coronavirus ("COVID-19") and its variants, supply chain crisis and raw material prices in uncertainty and volatility, there are high uncertainties and rapid changes in global economic development. The Group continues to face (i) severe world-wide competition in the aluminum aerosol cans markets, especially from the increase in competition from small-sized overseas aerosol can manufacturers; and (ii) the slowdown of growth in the consumable products and domestic demands in the People's Republic of China ("PRC").

Amid the rapidly changing market environment, the Group will continue to (i) leverage the research and development (the "R&D") capability to develop new products with high gross profits and high demand, while diversifying the products of the Group; (ii) optimize and integrate internal resources aggressively to consolidate business foundation; and (iii) invest further in upgrading the existing production facilities with automation system to enhance our product quality, production capacity and efficiency in order to cope with the recent development trends in the market.

FINANCIAL REVIEW

Turnover

For the Reporting Period, the Group has recorded a total turnover of approximately HK\$210.5 million (2021: approximately HK\$208.9 million), representing a slight increase of approximately 0.8% as compared to the corresponding period of 2021. The number of aluminum aerosol cans sold by the Group for the Reporting Period was approximately 105.1 million (2021: approximately 113.4 million). Whereas, the revenue of the Group from the PRC markets was approximately HK\$183.4 million (2021: approximately HK\$185.5 million). The increase in revenue was mainly due to enhance and implement more effective marketing strategies to drive the increase in sales of large sized aerosol cans which was partially offset by the negative impacts on sales caused by the short term locked-down in various provinces of PRC in 2022.

Cost of Sales

For the Reporting Period, cost of sales of the Group amounted to approximately HK\$156.1 million (2021: approximately HK\$152.3 million), which represented approximately 74.1% (2021: approximately 72.9%) of the turnover in the Reporting Period. There was an increase of approximately 1.2% in the percentage of cost of sales to turnover which was mainly attributable to the increase in raw material prices, especially, aluminum ingots.

Other Income and Gains

Other income and gains mainly consist of sales of scrap materials, government grants, bank interest income and income from provision of research and development services. During the Reporting Period, other income and gains of the Group was approximately HK\$12.2 million (2021: approximately HK\$10.5 million), representing an increase of approximately 16.5% which was due to the net effects of (i) the decrease in sale of scrap material income; (ii) the increase in exchange gains; (iii) the increase in bank interest income; and (iv) the increase in government grants.

Selling and Distribution Expenses

Selling and distribution expenses mainly consist of transportation expenses and declaration charges for delivery of products to customers, salaries, performance bonuses and employee benefits expenses for the sales and marketing staff, business travel and entertainment expenses, and advertisement and promotion costs. For the Reporting Period, selling and distribution expenses were approximately HK\$7.0 million (2021: approximately HK\$8.2 million), representing a decrease of approximately 15.1% as compared to the corresponding period of 2021. The decrease was primarily due to (i) the decrease in transportation expenses; and (ii) the decrease in general selling expenses as a result of strict cost control measures.

Administrative Expenses

Administrative expenses mainly represent the salaries and benefits of the administrative and management staff, professional consulting fees, depreciation and other miscellaneous administrative expenses. For the Reporting Period, administrative expenses were approximately HK\$21.9 million (2021: approximately HK\$21.4 million), representing a slight increase of approximately 2.3% as compared to the corresponding period of 2021. The increase was primarily due to the net effects of (i) the increase in repair and maintenance expenses and (ii) the decrease in professional fee and consulting fee.

Net Profit

The Group's net profit amounted to approximately HK\$20.9 million for the Reporting Period (2021: approximately HK\$18.4 million), representing an increase of approximately 13.3% as compared to the corresponding period in 2021. Net profit margin for the Reporting Period was approximately 9.9% (2021: approximately 8.8%).

The increase in net profit was mainly due to net effects of (i) enhancement and the implementation of more effective marketing strategies to drive the increase in sales of large sized aerosol cans; (ii) the negative impacts on sales caused by the short term locked-down in various provinces of PRC in 2022; and (iii) the implementation of the strict cost control measures to reduce the general overhead.

TREASURY POLICY

The Group adopts treasury policy that aims to better control its treasury operations and lower borrowing cost. As such, the Group endeavours to maintain an adequate level of cash and cash equivalents to address short term funding needs. The Board would also consider various funding sources depending on the Group's funding needs to ensure that the financial resources have been used in the most cost-effective and efficient way to meet the Group's financial obligations. The Board reviews and evaluates the Group's treasury policy from time to time to ensure its adequacy and effectiveness.

LIQUIDITY AND CAPITAL RESOURCES

Net Current Assets

As at 31 December 2022, the Group had net current assets of approximately HK\$147.3 million (31 December 2021: approximately HK\$130.1 million). The Group's cash and cash equivalents amounted to HK\$112.8 million as at 31 December 2022 (31 December 2021: approximately HK\$95.4 million) which are mainly denominated in Renminbi, United States dollars and Hong Kong dollars. The current ratio of the Group was approximately 7.3 as at 31 December 2022 (31 December 2021: approximately 7.1).

Borrowing and the Pledge of Assets

As at 31 December 2022, the bank borrowings of the Group amounted to approximately HK\$0.4 million (31 December 2021: HK\$0.3 million), which were secured by our properties, plant and equipment and leasehold land. All borrowings are charged with reference to Loan Prime Rate of People's Bank of China. All borrowings are denominated in Renminbi and Hong Kong dollars.

As at 31 December 2022, the Group had available unutilized banking facilities of approximately HK\$90.0 million (31 December 2021: approximately HK\$101.1 million). Further details of the Group's bank borrowings are set out in note 15 to the consolidated financial statements.

Gearing Ratio

As a result of an increase in cash and cash equivalents and a decrease in total borrowings of the Group, the gearing ratio which is calculated by dividing net debt by total equity and net debt, amounted to approximately -39% as at 31 December 2022 (31 December 2021: approximately -31%).

Contingent Liabilities

As at 31 December 2022, the Group had no significant contingent liabilities (31 December 2021: Nil).

Contractual Obligations

As at 31 December 2022, the Group's capital commitment of plant and machinery amounted to approximately HK\$2.4 million (31 December 2021: approximately HK\$4.6 million).

CAPITAL STRUCTURE

As at 31 December 2022, the total number of issued shares of the Company (the "Shares") was 901,785,000 (31 December 2021: 901,785,000).

FOREIGN EXCHANGE EXPOSURE AND EXCHANGE RATE RISK

Approximately 12.9% of the Group's revenue for the Reporting Period were denominated in the United States dollar ("US\$"). However, over 90.0% of the production costs were denominated in RMB. Therefore, there is a currency mismatch between US\$ revenue and RMB production costs, which gives rise to exposure to foreign exchange risk. Furthermore, there is a time lag between invoicing and final settlement from customers of export sales. The Group is exposed to foreign exchange risks if the foreign exchange rate at which the US\$ sales proceeds received from export sales is different from the rate at which the Group used to book the US\$ sales transactions at the time of sales.

During the year ended 31 December 2022, we did not enter into any foreign currency forward contracts or have any outstanding foreign currency forward contracts.

FORWARD PURCHASE OF ALUMINUM INGOTS

The major raw materials for manufacturing of aluminum aerosol cans are aluminum slugs which are processed from aluminum ingots. Aluminum ingots are widely used metal commodities, as such the price of aluminum ingots fluctuates depending on the market supply and demand conditions.

In order to avoid our business from being negatively impacted by substantial increases in the cost of aluminum ingots, it has been our practice to hedge part of our monthly estimated requirement of aluminum ingots through forward purchases and cover the remainder through purchases in the spot market. This practice enables us to average down our actual cost of aluminum ingots for production in the event of a significant increase in the spot price of aluminum ingots after our forward purchases.

During the year ended 31 December 2022, we had conducted forward purchases with amounts of approximately RMB9.2 million consisting of 480 tonnes of aluminum ingots. As at 31 December 2022, we had no outstanding forward purchases of aluminum ingots.

EMPLOYEES AND EMOLUMENTS POLICY

As at 31 December 2022, the Group had a workforce of 244 employees (31 December 2021: 245 employees). The staff costs, including directors' emoluments but excluding any contributions to the pension scheme, were approximately HK\$30.7 million for the Reporting Period (2021: approximately HK\$35.6 million). Remuneration is determined with reference to market terms and the performance, qualification and experience of an individual employee. In addition to a basic salary, year-end bonuses are offered to those staff with outstanding performance to attract and retain eligible employees of the Group. Share options would be granted to respective employees with outstanding performance and contributions to the Group. The emoluments of the Directors have been determined with reference to the skills, knowledge, contribution in the Company's affairs and the performance of each Director, and to the profitability of the Company and prevailing market conditions during the Reporting Period.

SIGNIFICANT INVESTMENTS

During the Reporting Period, the Group did not have any significant investments (2021: Nil).

USE OF PROCEEDS

Our business objectives and planned use of proceeds as stated in the prospectus dated 28 June 2013 (the “Prospectus”) were based on the best estimation of future market conditions made by the Group at the time of preparing the Prospectus. The actual use of proceeds was based on the actual market development. The net proceeds from the public offer and placing of the Shares (the “Share Offer”) were approximately HK\$80.0 million. During the Reporting Period, the net proceeds from the Share Offer had been applied as follows:

Business objectives as stated in the prospectus	Actual net proceeds (HK\$ million)	Actual amount utilized up to 31 December 2021 (HK\$ million)	Actual amount utilized subsequent to 31 December 2021 and up to 31 December 2022 (HK\$ million)	Remaining unutilized balance as at 31 December 2022 (HK\$ million)	Expected timeline for unutilized net proceeds
Partially fund the expansion of our production capacity, including the upgrade of our existing production lines and the acquisition of a brand new production line for aluminum aerosol cans	48.0	48.0	—	—	
Establish a new research and development laboratory	12.0	3.3	—	8.7	by 31 December 2023
Partially repay US\$ denominated bank loan	16.0	16.0	—	—	
General working capital purposes	4.0	4.0	—	—	
	<u>80.0</u>	<u>71.3</u>	<u>—</u>	<u>8.7</u>	

The unused net proceeds have been placed as interest-bearing deposits with licensed banks in Hong Kong and the PRC in accordance with the intention of the Board as disclosed in the Prospectus.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Apart from strengthening the Group's current business, the Group will explore new business opportunities as and when appropriate, in order to enhance Shareholder's value.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the year ended 31 December 2022, the Group had no material acquisitions or disposals of subsidiaries, associates or joint ventures.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted and complied with the code provisions set out in the Corporate Governance Code as set out in Appendix 14 (the "CG Code") to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("the Stock Exchange") (the "Listing Rules") during the Reporting Period except code provision C.2.1 of the CG Code.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. As the duties of chairman and chief executive of the Company are performed by Mr. Lin Wan Tsang ("Mr. Lin"), the Company has deviated from the CG Code. The Board believes that it is necessary to vest the roles of chairman and chief executive in the same person due to its unique role, Mr. Lin's experience and established market reputation in the industry, and the importance of Mr. Lin in the strategic development of the Company. The dual role arrangement provides strong and consistent market leadership and is critical for efficient business planning and decision making of the Company. As all major decisions are made in consultation with the members of the Board, and there are three independent non-executive Directors on the Board offering independent perspectives, the Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board. The Board will also continue to review and monitor the practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

AUDIT COMMITTEE

The Audit Committee was established on 20 June 2013 with terms of reference (amended on 31 December 2015) in compliance with the CG Code to the Listing Rules for the purpose of making recommendations to the Board on the appointment and removal of the external auditors, reviewing the financial statements and related materials and providing advice in respect of the financial reporting process, and overseeing the risk management and internal control systems of the Group. The Audit Committee comprises three members, all being independent non-executive Directors, namely, Mr. Yip Wai Man Raymond (Chairman), Dr. Lin Tat Pang and Ms. Guo Yang. The Group's accounting principles and practices, financial statements and related materials for the Reporting Period had been reviewed by the Audit Committee.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for FY2022 as set out in this preliminary announcement have been agreed by the Group's auditor, Ernst & Young, to the amounts set out in the Group's consolidated financial informations for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement.

REMUNERATION COMMITTEE

The remuneration committee of the Company (the "Remuneration Committee") was established on 20 June 2013, with specific written terms of reference for making recommendations to the Board regarding the Group's policy and structure for all remuneration of Directors and senior management and approving the remuneration package of the individual executive Directors, the specific duties set out in code provisions E.1.2(a) to (h) of the CG Code. The Remuneration Committee comprises a total of four members, being one executive Director, namely, Mr. Lin Wan Tsang, and three independent non-executive Directors, namely, Ms. Guo Yang (Chairlady), Dr. Lin Tat Pang and Mr. Yip Wai Man Raymond. Accordingly, a majority of the members are independent non-executive Directors.

NOMINATION COMMITTEE

The nomination committee of the Company (the “Nomination Committee”) was established on 20 June 2013, with specific written terms of reference in compliance with the CG Code for reviewing the Board composition, developing the relevant procedures for nomination and appointment of Directors and assessing the independence of the independent non-executive Directors to ensure that the Board has a balance of expertise, skills and experience and formulating succession plans for executive Directors and senior executives. The Nomination Committee comprises a total of four members, being one executive Director, namely, Mr. Lin Wan Tsang, and three independent non-executive Directors, namely, Dr. Lin Tat Pang (Chairman), Ms. Guo Yang and Mr. Yip Wai Man Raymond. Accordingly, a majority of the members are independent non-executive Directors.

RISK MANAGEMENT COMMITTEE

The risk management committee of the Company (the “Risk Management Committee”) was established on 24 June 2013, with specific written terms of reference for reviewing and approving the hedging policies as formulated by the hedging team of the Company (the “Hedging Team”) and report to the Board as to whether the hedging policies have been duly following by the Hedging Team. The Risk Management Committee is authorized to separate and independent direct access to and complete and open communication with the Group’s management to allow them to fulfill their duties. The Risk Management Committee comprises a total of two members, being two independent non-executive Directors, namely, Mr. Yip Wai Man Raymond (Chairman) and Dr. Lin Tat Pang. Accordingly, a majority of the members are independent non-executive Directors.

The Risk Management Committee has reviewed the hedging policies regarding its activities in forward purchases of aluminum ingots and entering into foreign currency forward contracts statements of the Group for the year ended 31 December 2022 and is of the opinion that the Group has complied with the hedging policy.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company for the Reporting Period.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as its code of conduct regarding the Directors’ Securities transactions. Specific enquiries have been made with all the Directors and they have confirmed that they have complied with the Model Code throughout the Reporting Period.

EVENTS AFTER THE REPORTING PERIOD

There were no significant events after 31 December 2022 and up to the date of this announcement.

FINAL DIVIDEND

The Board recommends the payment of a final dividend of HK0.38 cent per Share for the year ended 31 December 2022 (2021: HK0.31 cent per Share) to be payable to the shareholders of the Company whose names appear on the register of members of the Company as at 1 June 2023, subject to the approval of the Shareholders at the forthcoming annual general meeting of the Company (the “AGM”) to be held on 19 May 2023. The final dividend will be payable on or around 26 June 2023.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 15 May 2023 to 19 May 2023, both days inclusive, during which period no transfers of Shares shall be effected. In order to qualify for attending the forthcoming AGM, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 12 May 2023.

The register of members of the Company will be closed from 30 May 2023 to 1 June 2023, both days inclusive, during which period no transfers of Shares shall be effected. In order to qualify for the final dividend, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, at the above address for registration not later than 4:30 p.m. on 29 May 2023.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement will be published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (<http://www.6898hk.com>). The annual report of the Company for the year ended 31 December 2022 will be dispatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

By order of the Board
China Aluminum Cans Holdings Limited
中國鋁罐控股有限公司
Lin Wan Tsang
Chairman and executive Director

Hong Kong, 24 March 2023

As at the date of this announcement, the executive Directors are Mr. Lin Wan Tsang and Mr. Dong Jiangxiong; and the independent non-executive Directors are Dr. Lin Tat Pang, Ms. Guo Yang and Mr. Yip Wai Man Raymond.